

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2327 - SB 2525

February 24, 2018

SUMMARY OF BILL: Authorizes local governments to regulate smoking in age-restricted venues, hotels, certain clubs, public property, and parks.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – \$30,000/One-Time/Permissive

Assumptions:

- According to the Department of Health, there will be no increase in state expenditures as a result of local government regulation.
- Any local government may, by passage of an ordinance or resolution, regulate smoking in age-restricted venues, hotels, private clubs which do not sell liquor-by-the-drink and are not defined pursuant to Tenn. Code Ann. § 57-4-102(8), public property, and parks.
- Such regulation is not permitted to be in a manner which is less restrictive than required by state law.
- Pursuant to Tenn. Code Ann. § 39-17-1805(a), signage must be placed clearly and conspicuously at every entrance to any public location where smoking is prohibited.
- Any local government owning and operating the park or public property defined by the proposed language would be responsible for costs associated with erecting such signage if the local government opted to prohibit smoking.
- Signs are estimated to cost an average of \$25 per sign.
- It is reasonably estimated there will be at least 400 signs, or \$10,000 (400 x \$25) in signage, in each grand division resulting in a permissive increase in local expenditures of \$30,000 (\$10,000 x 3 grand divisions).
- Any fine revenue collected by local government as a result of violations of the regulation is estimated to be not significant.

IMPACT TO COMMERCE:

Other Fiscal Impact – Any impact to commerce or jobs in Tennessee cannot reasonably be determined.

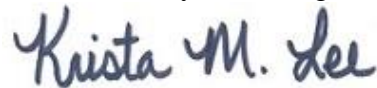
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Assumptions:

- Pursuant to Tenn. Code Ann. § 39-17-1803, smoking is currently prohibited in hotels and motels; however pursuant to Tenn. Code Ann. § 39-17-1804, hotel and motel rooms that: (1) are rented to guests and are designated as smoking rooms, (2) are all located on the same floor, and (3) which do not make up more than 25 percent of the rooms rented, are exempt from the prohibition of smoking.
- The proposed language defines “hotel” as any building or establishment kept, used, or maintained as a place where sleeping accommodations are furnished for pay to transients or travelers whether or not meals are served.
- Pursuant to Tenn. Code Ann. § 57-4-102(8), the definition of “club” is broad. It is unknown how many establishments meet such a definition, which are not authorized to serve liquor-by-the-drink, and could ultimately be subject to regulation by local governments.
- It is unknown how many local government entities will opt to regulate private business which are not currently regulated under state law, and if any regulating local government will require the prohibition of smoking on the property of the private business, and ultimately require the private business to purchase signage pursuant to Tenn. Code Ann. § 39-17-1805(a).
- Any impact to commerce or jobs in Tennessee cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh